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10/711,967	10/15/2004	DEREK TAMURA		5966

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EXAMINER
FU, HAO

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	Applicant(s)
Office Action Summary	10/711,967	TAMURA, DEREK
	Examiner	Art Unit	
	HAO FU	4172	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on <u>15 October 2004</u>.

2a) ☐ This action is **FINAL**.   2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) <u>1-31</u> is/are pending in the application.

     4a) Of the above claim(s) <u>21-31</u> is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) <u>1-20</u> is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.

     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

     a) ☐ All   b) ☐ Some * c) ☐ None of:

        1. ☐ Certified copies of the priority documents have been received.

        2. ☐ Certified copies of the priority documents have been received in Application No. _____.

        3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

     * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
     Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413)
     Paper No(s)/Mail Date. _____.

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____.

DETAILED ACTION

As requested by applicant on the response letter mailed on 12/13/2004, claim 21 to 31 are canceled. A set of new claims has not been submitted.

a.   An examination of this application reveals that applicant is unfamiliar with patent prosecution procedure. While an inventor may prosecute the application, lack of skill in this field usually acts as a liability in affording the maximum protection for the invention disclosed. Applicant is advised to secure the services of a registered patent attorney or agent to prosecute the application, since the value of a patent is largely dependent upon skilled preparation and prosecution. The Office cannot aid in selecting an attorney or agent.

A listing of registered patent attorneys and agents is available on the USPTO Internet web site http://www.uspto.gov in the Site Index under "Attorney and Agent Roster." Applicants may also obtain a list of registered patent attorneys and agents located in their area by writing to the Mail Stop OED, Director of the U. S. Patent and Trademark Office, PO Box 1450, Alexandria, VA 22313-1450

Claim Objection

Claim 3 is objected for the following informality: claim should not refer back to drawing.

Claim Rejection – USC 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 1, 3, 7, 14, 16, and 20 are rejected under 35 U.S.C. 112, second

paragraph, as being indefinite for failing to particularly point out and distinctly claim the

subject matter which applicant regards as the invention.

As per claim 1, the claim has more than one sentence. A proper claim should
only contain one sentence. Examiner suggests modifying the claim language as below:

> A method that uses a precisely calculated working budget and cash flow
> leveraging mechanism to systematically accelerate debt pay off while expanding
> a budget's disposable income without a need to increase the budget cash flow
> income volume or cause budget cuts, the method comprising requiring the
> budget to immediately pay the entire cash flow income to the cash flow
> leveraging mechanism prior to any expense or debt payments in order to
> maximize the leveraging effects and produce substantially greater front end
> profits than programs demonstrating back end interest cost savings.

As per claim 3, the claim language, especially "precise, accurate, detailed and
feasible", is imprecise.

As per claim 7, the claim language "budgeting" is imprecise, and it clouds the
meaning of the claim.

As per claim 14, the claim language is indefinite and provides no further limitation
of the invention.

As per claim 16, the claim language "the entire of which is available to be used
by the budget" is imprecise. It is unclear whether the budget here means debt or other
financial expense.

As per claim 20, the claim language "quickly" is imprecise.

Claim Rejection – USC 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claim 1-3, 5-11, 16, 17, 19, and 20 are rejected under 35 U.S.C. 103(a) as being

unpatentable over VanLeeuwen (Pub. No.: US 2002/0123949), in view of Smith (Pub.

No.: US 2006/0064366).

As per claim 1, VanLeeuwen teaches a method that uses a precisely calculated working budget to systematically accelerate debt pay off while expanding a budget's disposable income without a need to increase the budget cash flow income volume or cause budget cuts (see paragraph 0008 and 0009 discloses an accelerate debt pay off scheme using calculated working budget, and paragraph 0050-0057 shows expanding a budget's disposable income), the method comprising requiring the budget to immediately pay the entire cash flow income to the cash flow leveraging mechanism prior to any expense or debt payments in order to maximize the leveraging effects and produce substantially greater front end profits than programs demonstrating back end interest cost savings.

Examiner notes however VanLeeuwen does not appear to use cash flow leveraging mechanism for accelerate debt pay off. As such, VanLeeuwen does not explicitly teach the method comprising requiring the budget to immediately pay the entire cash flow income to the cash flow leveraging mechanism prior to any expense or debt payments in order to maximize the leveraging effects and produce substantially greater front end profits than programs demonstrating back end interest cost savings.

Smith teaches using cash flow leveraging mechanism for accelerate debt payoff, wherein the method requires the budget to immediately pay the entire cash flow income to the cash flow leveraging mechanism prior to any expense or debt payments in order to maximize the leveraging effects and produce substantially greater front end profits than programs demonstrating back end interest cost savings (according to applicant's own disclosure in the specification, cash flow leveraging mechanism is "any bank or bank like product or service that is able to hold a cash reserve, allows fund to be paid into or out of the account, allows transactions to occur as needed by a client, allows electronic draw or payments and does not limit the number of transaction". According to this definition, a Cash Trap Escrow Account or a cash trust is considered as a cash flow leveraging mechanism. See paragraph 0005 and 0006, prior art teaches requiring all or a portion of the net cash flow to be deposited in the Cash Trap Escrow Account for paying debt service. Even though Smith's invention targets paying off project debt, the same method can be applied to any debt payoff scheme in general, such as personal debt payoff. In addition, the result of using cash flow leveraging mechanism has no patentable weight).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include using a cash flow leveraging mechanism to systematically accelerate debt pay off.

One of ordinary skill in the art would have been motivated to modify the reference in order to maintain a fund reserve for paying off debt.

As per claim 2, VanLeeuwen teaches using specialized computer software to capture a budget's past, present and projected cash flow and debt load data for review, analysis and processing (see paragraph 0008, 0027, 0059, and 0060; prior art clearly discloses capturing user's past and present cash flow, and paragraph 0029 teaches calculating future spending needs, which implies the projected cash flow).

As per claim 3, VanLeeuwen teaches using specialized computer software to create one or more precise, accurate, detailed and feasible budget scenario(s) (see paragraph 0008, 0009, and especially 0024 and 0080; prior art teaches performing "what-if" calculations, the results are budget scenarios).

As per claim 5, VanLeeuwen teaches systematically selecting and targets each installment type loan for accelerated pay off in a specific order (see paragraph 0010, 0040, and 0041).

As per claim 6, VanLeeuwen teaches ranking each debt to determine the selection of the first target debt and the order of each successive debt targeted for accelerated elimination (see paragraph 0010, 0040, 0041, and 0043-0047).

As per claim 7, VanLeeuwen teaches accelerating debt pay off by budgeting regular (current and future) debt service payments and the calculated (current and future) "to principal only" payments to targeted debt(s) (see paragraph 0027-0057).

As per claim 8, VanLeeuwen teaches accelerating debt pay off by allocating funds, formerly used to service each retired debt, as disposable income available to add to principal only payments on remaining debts (see paragraph 0050-0056).

As per claim 9, VanLeeuwen teaches expanding a budget's disposable income by causing accelerated retirement of one or more target debts then, as each debt is retired, the funds formerly used to service each retired debt is disposable income available for other expenses (see paragraph 0050-0056).

As per claim 10, VanLeeuwen teaches accelerating debt pay off and/or expands a budget's disposable income at the option of the budget operator (see paragraph 0031, prior art teaches giving user option of whether to continue the accelerating debt pay off).

As per claim 11, working without a need to increase a budgets cash flow income volume or causing budget cuts (see paragraph 0038-0057, it is apparent from the example that the method does not require increase cash flow income) by using the working budget created from the specialized computer software (see paragraph 0027-

0037).

As per claim 16, VanLeeuwen teaches setting up an initial cash budget amount (see paragraph 0029 and 0030). However, VanLeeuwen does not disclose using a cash flow leveraging mechanism as a supplemental cash reserve with an initial cash reserve amount, the entire of which is available to be used by the budget.

Smith teaches using a cash flow leveraging mechanism as a supplemental cash reserve (see discussion of this feature on claim 1) with an initial cash reserve amount, the entire of which is available to be used by the budget (see paragraph 0040, especially "debt service reserve funds were funded up to a predetermined amount"; this predetermined amount is the initial cash reserve amount).

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to use a cash flow leveraging mechanism as a supplemental cash reserve with an initial cash reserve amount.

One of ordinary skill in the art would have been motivated to modify the reference in order to maintain a fund reserve for debt payoff.

As per claim 17, VanLeeuwen teaches using the cash flow leveraging mechanism to leverage a budget's cash flow and have funds available to pay regular expenses as the expense becomes due (see paragraph 0029, 0030 and 0037).

As per claim 19, VanLeeuwen does not teach requiring the budget to immediately pay the entire cash flow income to the cash flow leveraging mechanism prior to expense/debt payments or cash out transactions.

Smith teaches requiring the budget to immediately pay the entire cash flow income to the cash flow leveraging mechanism prior to expense/debt payments or cash out transactions (see paragraph 0005 and 0006, prior art discloses that all of the net cash flow will be required to be deposited in the Cash Trap Escrow Account, which is a cash flow leveraging mechanism as discussed on claim 1).

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include requiring the budget to immediately pay the entire cash flow income to the cash flow leveraging mechanism prior to expense/debt payments or cash out transactions.

One of ordinary skill in the art would have been motivated to modify the reference in order to maintain a fund reserve for debt payoff.

As per claim 20, VanLeeuwen teaches the method used in claim 1 immediately pays the budget's to entire cash flow income to the cash flow leveraging mechanism to quickly reduce the time frame of any negative cash balance effects (interest charges) (see paragraph 0050-0056, especially 0057).

Claim 4, 12-15, and 18 are rejected under 35 U.S.C. 103(a) as being

unpatentable over VanLeeuwen (Pub. No.: US 2002/0123949), in view of Smith (Pub.

No.: US 2006/0064366), and further in view of Official Notice.

As per claim 4, VanLeeuwen does not specifically teach using specialized
computer software to provide a print out of the any one or more of the working budget
scenarios.

Official Notice is taken that printing out information such as budget scenarios
using computer software is old and well known in the art.

It would have been obvious to one of ordinary skill in the art at the time of
invention to modify the reference to use specialized computer software to provide a print
out of the any one or more of the working budget scenarios.

One of ordinary skill in the art would have been motivated to modify the reference
in order to provide user a precise and detailed scenarios on paper.

As per claim 12, VanLeeuwen teaches working without a need to increase cash
flow income (see paragraph 0038-0057, it is apparent from the example that the method
does not require increase cash flow income) using the working budget which factors in
existing cash flow restrictions (see paragraph 0027-0030 for calculating working budget
which factors in existing cash flow restrictions), reallocating funds formerly used to
service each retired debt (see paragraph 0050-0056).

Examiner notes however, VanLeeuwen does not employing of a no cost or low
cost cash flow leveraging mechanism.

Smith teaches employing cash flow leveraging.

Official Notice is taken that employing a no cost or low cost cash flow leveraging
mechanism is old and well known in the art.

It would have been obvious to one of ordinary skill in the art at the time of
invention to modify the reference to include employing of a no cost or low cost cash flow
leveraging mechanism.

One of ordinary skill in the art would have been motivated to modify the reference
in order to use a low cost mean for maintaining fund reserve for debt payoff.

As per claim 13, VanLeeuwen does not teach using a cash flow leveraging
mechanism that allows a budget to execute daily cash in or cash out transactions as
often as needed, wherein the preferred leveraging mechanism would have no service
fees, set up costs or transfer restrictions and can be set up in a single day.

Smith teaches using cash flow leveraging mechanism for accelerate debt payoff
as discussed on claim 1.

Official Notice is taken that using a cash flow leveraging mechanism that allows a
budget to execute daily cash in or cash out transactions as often as needed, wherein
the preferred leveraging mechanism would have no service fees, set up costs or
transfer restrictions and can be set up in a single day, is old and well known in the art.

Furthermore, the preference of cash flow leveraging mechanism has no patentable weight.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to use a cash flow leveraging mechanism that allows a budget to execute daily cash in or cash out transactions as often as needed, wherein the preferred leveraging mechanism would have no service fees, set up costs or transfer restrictions and can be set up in a single day.

One of ordinary skill in the art would have been motivated to modify the reference in order to save fee.

As per claim 14, VanLeeuwen does not teach method used in claim 1 may use cash flow leveraging mechanisms that are not limited to any bank or bank like product or service or traditional banking systems.

Official Notice is taken that cash flow leveraging mechanisms that are not limited to any bank or bank like product or service or traditional banking systems is old and well known in the art.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to use cash flow leveraging mechanisms that are not limited to any bank or bank like product or service or traditional banking systems.

One of ordinary skill in the art would have been motivated to modify the reference in order to take advantage of any leveraging product in the market.

As per claim 15, VanLeeuwen does not explicitly teach using a cash flow leveraging mechanism that, if not used, costs nothing, and if used, would serve to supplement the current cash flow by providing no cost or very low cost cash.

Official Notice is taken that teach using a cash flow leveraging mechanism that, if not used, costs nothing, and if used, would serve to supplement the current cash flow by providing no cost or very low cost cash, is old and well known in the art.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to use a cash flow leveraging mechanism that, if not used, costs nothing, and if used, would serve to supplement the current cash flow by providing no cost or very low cost cash.

One of ordinary skill in the art would have been motivated to modify the reference in order to save fee and increase efficiency of the debt payoff method.

As per claim 18, VanLeeuwen does not teach using a cash flow leveraging mechanism to leverage a budgets cash flow by having additional funds available for fluctuating income/expense or yet unknown financial events.

Smith teaches using a cash flow leveraging mechanism to leverage a budgets cash flow (see discussion of this feature on claim 1).

Official Notice is taken that using a cash flow leveraging mechanism to leverage a budgets cash flow by having additional funds available for fluctuating income/expense or yet unknown financial events is old and well known in the art.

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the reference to include having additional funds available for fluctuating income/expense or yet unknown financial events is old and well known in the art.

One of ordinary skill in the art would have been motivated to modify the reference in order to prepare for unexpected financial event.

Claim 21-31 are canceled.

Conclusion

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to HAO FU whose telephone number is (571)270-3441.

The examiner can normally be reached on Mon-Fri/Mon-Thurs 7:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Tom Dixon can be reached on (571) 272-6803. The fax phone number for

the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the

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For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/THOMAS A DIXON/   Hao Fu
Supervisory Patent Examiner, Art Unit 4172   Examiner
                                                       Art Unit 4172

Jan-08